

## Message Text

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PAGE 01 FRANKF 03941 160859Z POSS DUPE  
ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00  
EB-08 FRB-03 INR-10 IO-13 NEA-11 NSAE-00 ICA-11  
OPIC-03 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00  
OMB-01 SS-15 PA-01 ARA-10 /122 W  
-----110605 161421Z /53

R 160821Z MAY 78  
FM AMCONSUL FRANKFURT  
TO SECSTATE WASHDC 1962  
INFO AMEMBASSY BONN  
AMEMBASSY MOSCOW  
AMEMBASSY TOKYO  
AMEMBASSY BRUSSELS  
AMEMBASSY PARIS  
USMISSION USNATO

C O N F I D E N T I A L FRANKFURT 3941

USEEC

USOECD

E.O. 11652: GDS  
TAGS: EEWT, EQIP, EFIN, GW, JA, UR  
SUBJ: GERMAN BANKER COMMENTS ON DOLLAR PRICING OF EXPORTS

REF: MOSCOW 08957

DRESDNER BANK DIRECTOR WITH RESPONSIBILITY FOR EASTERN EUROPE  
AND THE SOVIET UNION STATES THAT GERMAN EXPORTERS OF HEAVY  
EQUIPMENT AND MACHINERY TO THE SOVIET UNION HAVE NOT LOST ANY  
SIGNIFICANT BUSINESS TO JAPANESE COMPETITION, NOTWITHSTANDING  
THE FACT THAT 80 PERCENT OF GERMAN EXPORTS ARE DENOMINATED  
IN HARD CURRENCY GERMAN MARKS. PARTICULARLY STIFF JAPANESE  
FINANCING TERMS AND CONDITIONS APPARENTLY BALANCE OUT ANY PRICE  
ADVANTAGES ACCRUING TO JAPANESE WHERE THEY MAINTAIN UNCHANGED  
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DOLLAR PRICING. DRESDNER SOURCE DOES ACKNOWLEDGE, HOWEVER,  
THAT EXPORT PROFIT MARGINS ARE ERODING FOR BOTH GERMAN AND  
JAPANESE EXPORTERS, PARTICULARLY IN CASES OF CONSTANT DOLLAR  
PRICING. HE MADE THE POINT THAT PRESSURES FOR DOLLAR DENOMINATION  
OF ORDERS COME FROM CUSTOMERS RATHER THAN SUPPLIERS. SPECIFICALLY,  
HE CITES STRONG PRESSURES FROM OPEC COUNTRIES INCLUDING IRA,  
SAUDI ARABIA, ARABIAN GULF STATES, AND VENEZUELA FOR DOLLAR

DENOMINATION OF EXPORT SALES FROM GERMANY. SOURCE ALSO NOTED THAT 70 PERCENT OF JAPANESE EXPORT SALES ARE NOW DENOMINATED IN DOLARS, DOWN FROM NEARLY 100 PERCENT JUST A FEW YEARS AGO. THE REMAINDER IS MAINLY IN YEN, BUT ALSO INCLUDES A MIX OF HARD CURRENCIES, INCLUDING GERMAN MARKS. JAPANESE THEMSELVES HAVE APPARENTLY BEEN ATTEMPTING TO SHIFT AWAY FROM DOLLAR PRICING, BUT RECENT PRESSURES FROM CUSTOMERS HAVE DAMPENED THIS MOVEMENT. LEHMANN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DOLLAR, EXPORTS, BANKERS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978FRANKF03941  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780206-0762  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
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**Status:** NATIVE  
**Subject:** GERMAN BANKER COMMENTS ON DOLLAR PRICING OF EXPORTS  
**TAGS:** EEWT, EQIP, EFIN, GE, JA, UR  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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